



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-570-105]

### **Carbon and Alloy Steel Threaded Rod from the People's Republic of China: Preliminary Results of Countervailing Duty Administrative Review and Rescission of Administrative Review in Part; 2019-2020**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) preliminarily determines that the companies subject to this countervailing duty (CVD) administrative review of carbon and alloy steel threaded rod (threaded rod) from the People's Republic of China (China) received countervailable subsidies during the period of review (POR), July 29, 2019, through December 31, 2020. Interested parties are invited to comment on these preliminary results of review.

**DATES:** Applicable [Insert date of publication in the *Federal Register*].

**FOR FURTHER INFORMATION CONTACT:** Thomas Schauer or Allison Hollander, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0410 or (202) 482-2805, respectively.

### **SUPPLEMENTARY INFORMATION:**

#### Background

On April 9, 2020, Commerce published the CVD order on threaded rod from China.<sup>1</sup> On April 1, 2021, Commerce published a notice of opportunity to request an administrative review of the *Order* for the POR.<sup>2</sup> In April 2021 we received timely requests from multiple parties to

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<sup>1</sup> See *Carbon and Alloy Steel Threaded Rod from India and the People's Republic of China: Countervailing Duty Orders*, 85 FR 19927 (April 9, 2020) (*Order*).

<sup>2</sup> See *Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 86 FR 17137 (April 1, 2021).

conduct an administrative review of the *Order*. On June 11, 2021, we published a notice of initiation for this administrative review.<sup>3</sup> For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>4</sup> The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx>.

On December 3, 2021, Commerce extended the deadline for the preliminary results of this review by 120 days to May 2, 2022.<sup>5</sup>

#### Scope of the *Order*

The scope of the *Order* covers threaded rod from China. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

#### Methodology

We are conducting this administrative review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we determine that there is a subsidy, *i.e.*, a financial contribution by an “authority” that confers a benefit to the recipient, and that the subsidy is specific.<sup>6</sup> For a full description of the methodology underlying our preliminary conclusions, including our reliance, in part, on adverse facts available pursuant to sections 776(a) and (b) of the Act, *see* the

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<sup>3</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 31282, 31293 (June 11, 2021).

<sup>4</sup> *See* Memorandum, “Decision Memorandum for the Preliminary Results of the Administrative Review of the Countervailing Duty Order on Carbon and Alloy Steel Threaded Rod from the People’s Republic of China; 2019-2020,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>5</sup> *See* Memorandum, “Carbon and Alloy Steel Threaded Rod from the People’s Republic of China: Extension of Deadline for Preliminary Results of Countervailing Duty Administrative Review; 2019-2020,” dated December 3, 2021.

<sup>6</sup> *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

Preliminary Decision Memorandum. A list of topics included in the Preliminary Decision Memorandum is provided in Appendix I to this notice.

#### Rescission of Administrative Review, in Part

Pursuant to 19 CFR 351.213(d)(1), Commerce will rescind an administrative review, in whole or in part, if the parties that requested a review withdraw the request within 90 days of the date of publication of the notice of initiation. Commerce received withdrawal requests with respect to the 18 companies listed in Appendix II.<sup>7</sup> Because the withdrawal requests were timely filed and no other parties requested a review of these companies, in accordance with 19 CFR 351.213(d)(1), Commerce is rescinding this review of the *Order* for the 18 companies listed in Appendix II.<sup>8</sup>

#### Preliminary Rate for Non-Selected Companies

There are three companies for which a review was requested and not rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent: (1) Ningbo Dingtuo Imp. & Exp. Co., Ltd.; (2) Ningbo Dongxin High-Strength Nut Co., Ltd.; and (3) Ningbo Jinding Fastening Piece Co., Ltd. For these non-selected companies, because the rates calculated for the mandatory respondents, Zhejiang Junyue Standard Part Co., Ltd. (Junyue) and Ningbo Zhongjiang High Strength Bolts Co., Ltd. (Zhongjiang Bolts), were above *de minimis* and not based entirely on facts available, we are applying the weighted average of the net countervailable subsidy rates calculated for the mandatory respondents, which we calculated using the publicly-ranged sales data submitted by Junyue and Zhongjiang Bolts.<sup>9</sup> This

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<sup>7</sup> See Vulcan Threaded Products Inc.'s Letter, "Carbon and Alloy Steel Threaded Rod from the People's Republic of China: Withdrawal of Requests for Administrative Reviews," dated August 30, 2021.

<sup>8</sup> See, e.g., *Lightweight Thermal Paper from the People's Republic of China: Notice of Rescission of Countervailing Duty Administrative Review*; 2015, 82 FR 14349 (March 20, 2017); and *Circular Welded Carbon Quality Steel Pipe from the People's Republic of China: Rescission of Countervailing Duty Administrative Review*; 2017, 84 FR 14650 (April 11, 2019).

<sup>9</sup> With two respondents under examination, Commerce normally calculates (A) a weighted-average of the estimated subsidy rates calculated for the examined respondents; (B) a simple average of the estimated subsidy rates calculated for the examined respondents; and (C) a weighted-average of the estimated subsidy rates calculated for the examined respondents using each company's publicly-ranged U.S. sale quantities for the merchandise under consideration. Commerce then compares (B) and (C) to (A) and selects the rate closest to (A) as the most appropriate rate for all other producers and exporters. See, e.g., *Ball Bearings and Parts Thereof from France*,

methodology to establish the non-selected subsidy rate is consistent with our practice with regard to the all others rate pursuant to section 705(c)(5)(A)(i) of the Act.

#### Preliminary Results of Administrative Review

As a result of this administrative review, we preliminarily find that the following net countervailable subsidy rates exist for the period July 29, 2019, through December 31, 2020:

<b>Company</b>	<b>Subsidy Rate – 2019 (percent <i>ad valorem</i>)</b>	<b>Subsidy Rate – 2020 (percent <i>ad valorem</i>)</b>
Ningbo Zhongjiang High Strength Bolts Co., Ltd. <sup>10</sup>	8.36	7.65
Zhejiang Junyue Standard Part Co., Ltd. <sup>11</sup>	7.22	7.97

#### **Review-Specific Average Rate Applicable to the Following Companies**

Ningbo Dingtuo Imp. & Exp. Co., Ltd.	7.95	7.75
Ningbo Dongxin High-Strength Nut Co., Ltd.	7.95	7.75
Ningbo Jinding Fastening Piece Co., Ltd.	7.95	7.75

#### Assessment Rates

Upon issuance of the final results of this administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, countervailing duties on all appropriate entries covered by this review. For the 18 companies for which this review is rescinded, Commerce will instruct CBP to assess countervailing duties on all appropriate entries at the rate equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from

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*Germany, Italy, Japan, and the United Kingdom: Final Results of Antidumping Duty Administrative Reviews, Final Results of Changed-Circumstances Review, and Revocation of an Order in Part*, 75 FR 53661, 53663 (September 1, 2010); *see also* Memorandum, “Administrative Review of the Countervailing Duty Order on Carbon and Alloy Steel Threaded Rod from the People’s Republic of China: Calculation of Rate for Respondents Not Selected for Individual Examination,” dated concurrently with this notice.

<sup>10</sup> In the original investigation, Commerce found Ningbo Zhongmin Metal Product Co., Ltd., to be cross-owned with Ningbo Zhongjiang High Strength Bolts Co., Ltd. *See Carbon and Alloy Steel Threaded Rod from the People’s Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination With Final Antidumping Duty Determination*, 84 FR 36578 (July 29, 2019), and accompanying Preliminary Decision Memorandum at 28, unchanged in *Carbon and Alloy Steel Threaded Rod from the People’s Republic of China: Final Affirmative Countervailing Duty Determination*, 85 FR 8833, February 18, 2020). As the facts have not changed in this review, we continue to find Ningbo Zhongmin Metal Product Co., Ltd., to be cross-owned with Ningbo Zhongjiang High Strength Bolts Co., Ltd. *See also* Preliminary Decision Memorandum.

<sup>11</sup> As discussed in the Preliminary Decision Memorandum, Commerce preliminarily finds the following companies to be cross-owned with Zhejiang Junyue Standard Part Co., Ltd.: Jiaxing Chengyue Trading Co., Ltd., and Haiyan County Brothers Paper Industry Co., Ltd.

warehouse, for consumption, during the period July 29, 2019, through December 31, 2020, in accordance with 19 CFR 351.212(c)(1)(i).

For the companies remaining in the review, Commerce intends to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

#### Cash Deposit Requirements

Pursuant to section 751(a)(2)(C) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts calculated in the final results of this review for the respective companies listed above, on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. If the rate calculated in the final results is zero or *de minimis*, no cash deposit will be required on shipments of the subject merchandise entered or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

For all non-reviewed companies, CBP will continue to collect cash deposits of estimated countervailing duties at the all-others rate (*i.e.*, 41.17 percent)<sup>12</sup> or the most recent company-specific rate applicable to the company, as appropriate. These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Disclosure and Public Comment

We intend to disclose the calculations performed for these preliminary results to parties in this proceeding within five days after public announcement of the preliminary results in accordance with 19 CFR 351.224(b). Pursuant to 19 CFR 351.309(c), interested parties may

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<sup>12</sup> See *Order*, 85 FR at 19928.

submit case briefs no later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed no later than seven days after the date for filing case briefs.<sup>13</sup> Parties who submit case or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities.<sup>14</sup> Commerce has temporarily modified certain of its requirements for serving documents containing business proprietary information.<sup>15</sup>

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Time within 30 days after the date of publication of this notice.<sup>16</sup> Requests should contain: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date and time for the hearing.

Unless extended, we intend to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their case briefs, no later than 120 days after the date of publication of this notice in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act.

#### Notification to Interested Parties

We are issuing and publishing these preliminary results in accordance with sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.213(d)(4) and 351.221(b)(4).

Dated: May 2, 2022.

Lisa W. Wang,  
Assistant Secretary for Enforcement and Compliance.

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<sup>13</sup> See 19 CFR 351.309(d).

<sup>14</sup> See 19 CFR 351.309(c)(2) and (d)(2).

<sup>15</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19*, 85 FR 41363 (July 10, 2020).

<sup>16</sup> See 19 CFR 351.310(c).

## **Appendix I**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Rescission of Administrative Review, In Part
- V. Non-Selected Companies Under Review
- VI. Diversification of China's Economy
- VII. Subsidies Valuation
- VIII. Benchmarks and Discount Rates
- IX. Use of Facts Otherwise Available and Application of Adverse Inferences
- X. Analysis of Programs
- XI. Recommendation

## **Appendix II**

### **List of Companies for Which Requests for Review Were Timely Withdrawn**

1. Cooper & Turner (Ningbo) International Trading Co., Ltd.
2. EC International (Nantong) Co., Ltd.
3. Haiyan Qinshan Rubber Factory
4. IFI & Morgan Ltd.
5. Jiaxing Genteel Import & Export Co., Ltd
6. Nantong Runyou Metal Products Co., Ltd.
7. Ningbo Qunli Fastener Manufacture Co., Ltd.
8. Ningbo Shareway Import & Export, Co., Ltd.
9. Ningbo Xingsheng Oil Pipe Fittings Manufacture Co., Ltd.
10. Ningbo Zhenghai Yongding Fastener Co., Ltd.
11. Ningbo Zhenghai Yongding Fasteners Manufacture Co., Ltd.
12. Ningbo Zhenhai Zhongbiao Standard Parts Factory
13. RMB Fasteners Ltd.
14. Zhejiang Cooper & Turner Fasteners Co., Ltd.
15. Zhejiang Golden Automotive Fastener Co., Ltd
16. Zhejiang Heiter Mfg & Trade Co., Ltd.
17. Zhejiang Huiyou Import & Export Co., Ltd.
18. Zhejiang Morgan Brother Technology Co., Ltd.

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